

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 242859

62

ORIGIN EA-09

INFO OCT-01 ISO-00 EB-07 SS-15 INR-07 /039 R

DRAFTED BY EA/IMS:DCOHN:LRR

APPROVED BY EA - LESTER E. EDMOND

EA/IMS - MR. INGRAHAM

----- 096900

R 300237Z SEP 76

FM SECSTATE WASHDC

TO AMEMBASSY JAKARTA

LIMITED OFFICIAL USE STATE 242859

STADIS////////////////////////////////////

E.O. 11652: N/A

TAGS: EFIN, ECON, ID

SUBJECT: EXIM TEAM VISIT TO JAKARTA

REF: JAKARTA 11911

1. EXIM VICE PRESIDENT HOUSTON AND ECONOMIST HOWARD TURK MET WITH DEPUTY ASSISTANT SECRETARY EDMOND AND ERSTWHILE JAKARTA E/CM COUNSELOR COHN SEPTEMBER 28 TO REVIEW CURRENT INDONESIAN ECONOMIC AND FINANCIAL SITUATION RELATIVE TO PROPOSED EXIM BANK TEAM VISIT (REFTEL). HOUSTON SAID EXIM HAD PLANNED VISIT FOR LATE OCTOBER BUT IN LIGHT JAKARTA REPORTS OF GOI PREFERENCE FOR LATER DATE AND ADVICE FROM INDONESIAN EMBASSY WASHINGTON THAT AMBASSADOR RUSMIN WANTED TO VISIT EXIM TO EXPLAIN GOI INTEREST IN DELAY, EXIM WAS NOW RPT NOW WAITING FOR AMBASSADOR'S CALL. IT WAS AGREED THAT COHN DURING COURTESY CALL ON INDONESIAN WASHINGTON ECONOMIC COUNSELOR ADIWOSO WOULD RAISE QUESTION OF VISIT TIMING.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 242859

2. REVIEW OF INDONESIAN ECONOMIC/FINANCIAL SCENE REVEALED

EXIM BANK'S CONTINUED UNEASINESS. HOUSTON AND TURK, HOWEVER, READILY ACKNOWLEDGED SUPERIOR FINANCIAL CRISIS MANAGEMENT PERFORMANCE BY GOI AND AGREED WITH COHN JUDGMENT THAT THERE IS NO EVIDENCE THAT DESPITE PRESSURES FROM GOI

OPERATING AGENCIES, FINANCIAL MANAGERS ARE RELAXING TIGHT DISCIPLINE TO HOLD FOREIGN BORROWING TO 2 BILLION DOLLARS ANNUAL LEVEL. EXIM'S UNEASINESS STEMS IN PART FROM THEIR HEARING RUMORS FROM SOME COMMERCIAL BANKS THAT THERE WERE SIGNIFICANT (BETTER THAN A BILLION DOLLARS) UNRECORDED OUTSTANDING PERTAMINA OBLIGATIONS, NOT RPT NOT COVERED BY "OFFICIAL DATA" CONTAINED IN MAY 1976 IBRD REPORT, THOSE CONTAINED IN MORGAN GUARANTY PROSPECTUSES, OR THOSE PROVIDED BY BANK INDONESIA TO EMBASSY IN JUNE. COHN EXPRESSED DISBELIEF THAT THIS WAS LIKELY, AND EXPLORED, WITH HOUSTON AND TURK UNSUCCESSFULLY, POSSIBLE PROJECTS OR UNDERTAKINGS WHERE THEY THOUGHT THAT THIS COULD BE POSSIBLE. BANK OFFICIALS CLEARLY WISH TO ASSURE THEMSELVES THAT "NO NEW SURPRISES" ARE LIKELY TO BE FORTHCOMING.

3. EDMOND URGED EXIM SEEK TO ARRANGE VISIT AS EARLY AS POSSIBLE IN ORDER THAT IT COULD SEE AND HEAR FOR ITSELF CURRENT AND PROJECTED PICTURE. HE SAID ONLY ON THIS BASIS COULD EXIM REACH LOGICAL CONCLUSIONS BASED ON BEST FACTS AVAILABLE. COHN OUTLINED NECESSITY DEVOTE THREE FULL WORKING DAYS, EXCLUSIVE OF TRAVEL DAYS AND VISITS TO PROJECTS OUTSIDE OF JAKARTA. TURK SAID NO PROJECT VISITS CONTEMPLATED. ROBINSON

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: VISITS, FINANCIAL PROGRAMS
Control Number: n/a
Copy: SINGLE
Draft Date: 30 SEP 1976
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: KelleyW0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STATE242859
Document Source: CORE
Document Unique ID: 00
Drafter: DCOHN:LRR
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760369-0271
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t1976091/aaaaaatx.tel
Line Count: 90
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN EA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: STADIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: STADIS
Reference: 76 JAKARTA 11911
Review Action: RELEASED, APPROVED
Review Authority: KelleyW0
Review Comment: n/a
Review Content Flags:
Review Date: 26 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <26 MAY 2004 by ElyME>; APPROVED <19 OCT 2004 by KelleyW0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EXIM TEAM VISIT TO JAKARTA
TAGS: EFIN, ECON, ID, XMB
To: JAKARTA
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006